

Approved For Release 2007/07/17 : CREFP700975A006500180001-0

TOP SECRET

25X1

23 July 1962

Copy No. C 80-3

# CENTRAL INTELLIGENCE BULLETIN



## **State Dept. review completed**

25X1

**GROUP I**  
**Excluded from automatic downgrading  
and declassification**

Approved For Release 2017/04/17 : **TOP SECRET** : 0975A006500180001-0

**TOP SECRET**

25X1

Approved For Release 2003/04/17 : CIA-RDP79T00975A006500180001-0

Approved For Release 2003/04/17 : CIA-RDP79T00975A006500180001-0

23 July 1962

CENTRAL INTELLIGENCE BULLETIN

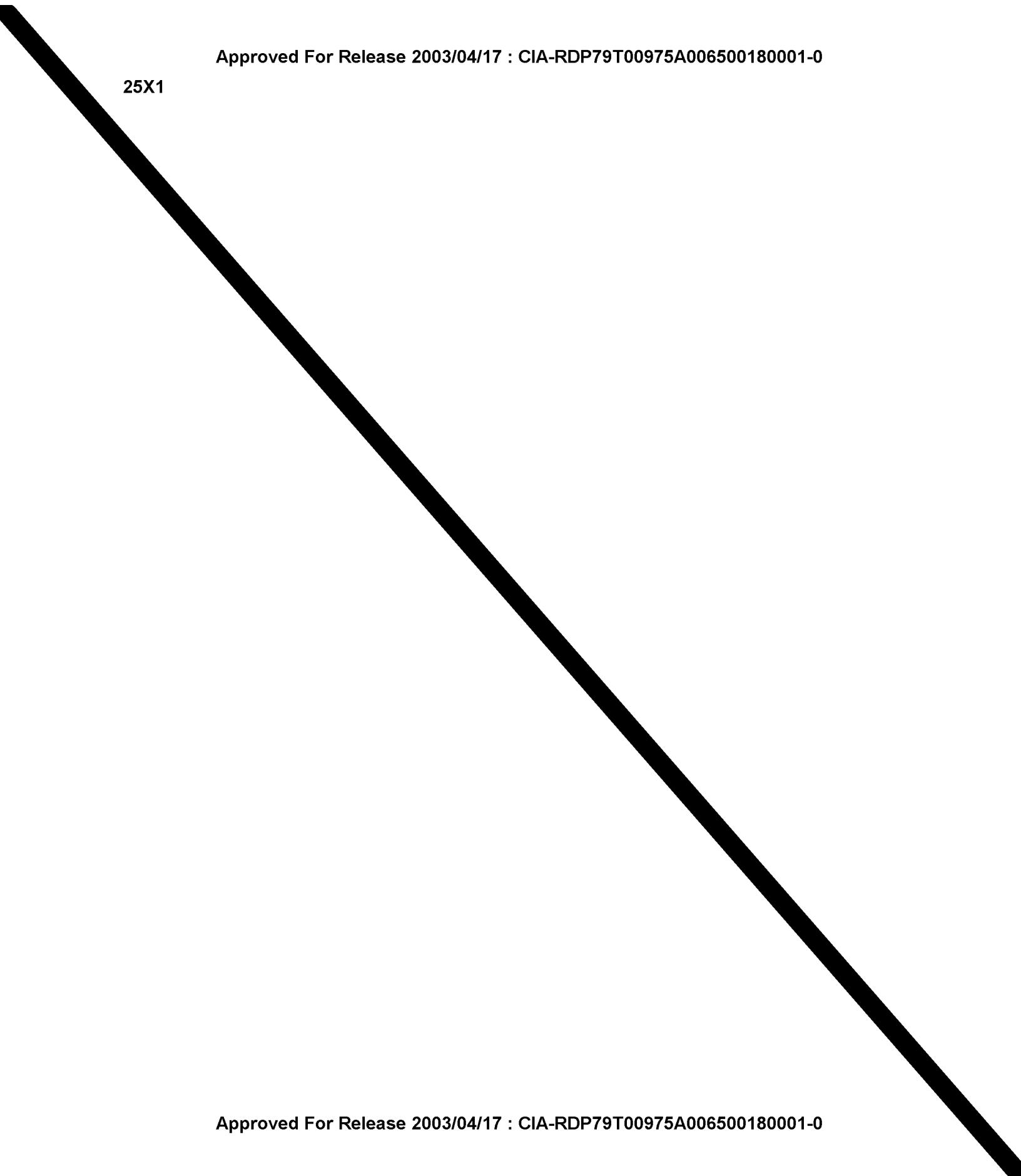
CONTENTS

25X1

- 2. Congo: Continued civilian harassment of UN roadblocks expected. (*Page ii*)
- 3. Peru: Opposition to junta increasing. (*Page iii*)
- 4. Ecuador: Communists exploiting strikes, probably hoping to force military takeover during President's absence. (*Page v*)
- 5. Iran: Shah's order for national elections probably designed to reduce opposition pressure on Alam government. (*Page vi*)
- 6. Communist China - India: Both sides probably wish to avoid a major flare-up along the border. (*Page vii*)

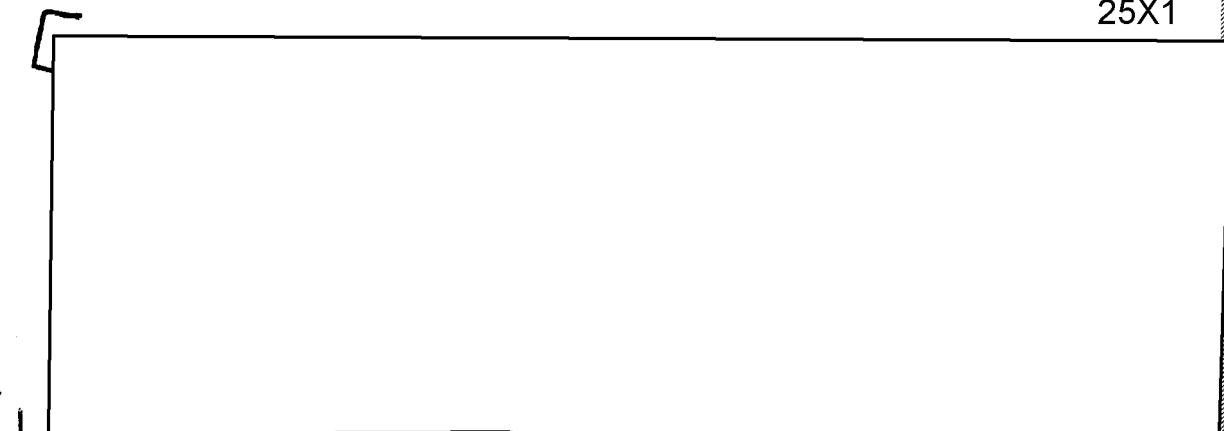
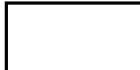
Approved For Release 2003/04/17 : CIA-RDP79T00975A006500180001-0

25X1



Approved For Release 2003/04/17 : CIA-RDP79T00975A006500180001-0

25X1



25X1



Congo: UN representative Gardiner concluded, after his recent talks with Tshombé in Elisabethville, that continued civilian harassment of UN roadblocks is "more than likely." Tshombé gave Gardiner the impression that he feels he may have carried negotiations with Adoula too far and is seeking excuses to evade and stall. Gardiner told Ambassador Gullion that Tshombé must be convinced that disagreeable alternatives await him if he does not enter into serious negotiations in the near future, and that the UN, UK, Belgium, and the US should reach agreement on such alternatives.

25X1

In discussions with US officials, Foreign Minister Spaak has indicated he may, if necessary, support plans to bring pressure on Tshombé by blockading exit routes for Katanga's exports. Spaak and other Belgian officials remain opposed to proposals that Belgian companies operating in the province withhold tax payments because this would subject these firms and their personnel to retaliation by Katangese authorities.

Peru: The military junta which took over the government of Peru on 18 July is beset with increasing domestic opposition and widespread adverse reaction among the other nations of the western hemisphere. Almost all domestic support for the military comes from the Communists and the other extremist followers of Fernando Belaunde Terry.

25X1

Demonstrations in Lima, which began among students the day of the coup, have become larger and harder for the police to control. [Victor Raul Haya de la Torre and other APRA leaders urged restraint, however, fearing that excessive violence will turn public opinion against APRA.]

APRA-led unions in the northern provinces have been reported to be on strike, and other unions, comprising about 80 percent of organized labor, have been ordered by the APRA-dominated Confederation of Workers to begin a general strike on 23 July. The unions led by the Communists have refused to participate because of Communist antipathy toward APRA, thus effecting an awkward alliance between the Communists and the junta. The strike is to be accompanied by protest demonstrations by a civic front composed of followers of ex-dictator Manuel Odria, deposed President Prado, former Prime Minister Pedro Beltran, the Christian Democrat Party, and APRA.

President Prado and some members of his government are still being detained on a ship in Callao harbor. Some reports claim that Prado will be freed

when his term expires on 28 July; others say he will be tried for complicity in the alleged electoral fraud which ostensibly caused the military intervention.

The announcement of suspension of diplomatic relations by the US and several Latin American countries, the failure of the others except Haiti thus far to recognize the new regime, and the request by Venezuela to the OAS for a meeting of foreign ministers reportedly have "surprised and frightened" the junta.

25X1 The loss of economic and military aid is also a blow which will rapidly become more serious. The junta has made several efforts to establish contacts with US officials and is attempting unsuccessfully to find allies among Latin American nations. Apparently in an effort to retaliate against diplomatic ostracism, members of the junta have hinted at possible nationalization of foreign-owned petroleum resources and have said that "Peru will look for other markets" if economic sanctions are imposed.

25X1

Ecuador: Widespread strikes accompanied by sporadic violence and riots continue to plague municipal authorities in Ecuador. Striking municipal workers in Manabi Province, demanding their back pay, forced the resignation of the provincial governor on 18 July. The strike in Manabi was settled "provisionally" by Vice President Varea and four cabinet members, who agreed to most of the strikers' demands. Strikes continue elsewhere, however.

The strikers' demonstrations have been taken over by Communists and other leftists to provoke violence in Manabi, Quito, and Cuenca. The intent of the Communists seems to be to force the military leaders to take over the government in the absence of President Arosemena, who arrives in Washington today for a two-day state visit.

A series of strikes and riots for similar causes--protests against inadequate national funds for municipal payrolls and local development projects--preceded the overthrow of President Velasco on 8 November. President Arosemena was installed at that time with military and leftist support. He has since been the target of several coup attempts by the military and has also incurred the displeasure of the left by breaking relations with Cuba, Czechoslovakia, and Poland, the only Communist-dominated countries with which Ecuador maintained relations when he took office.

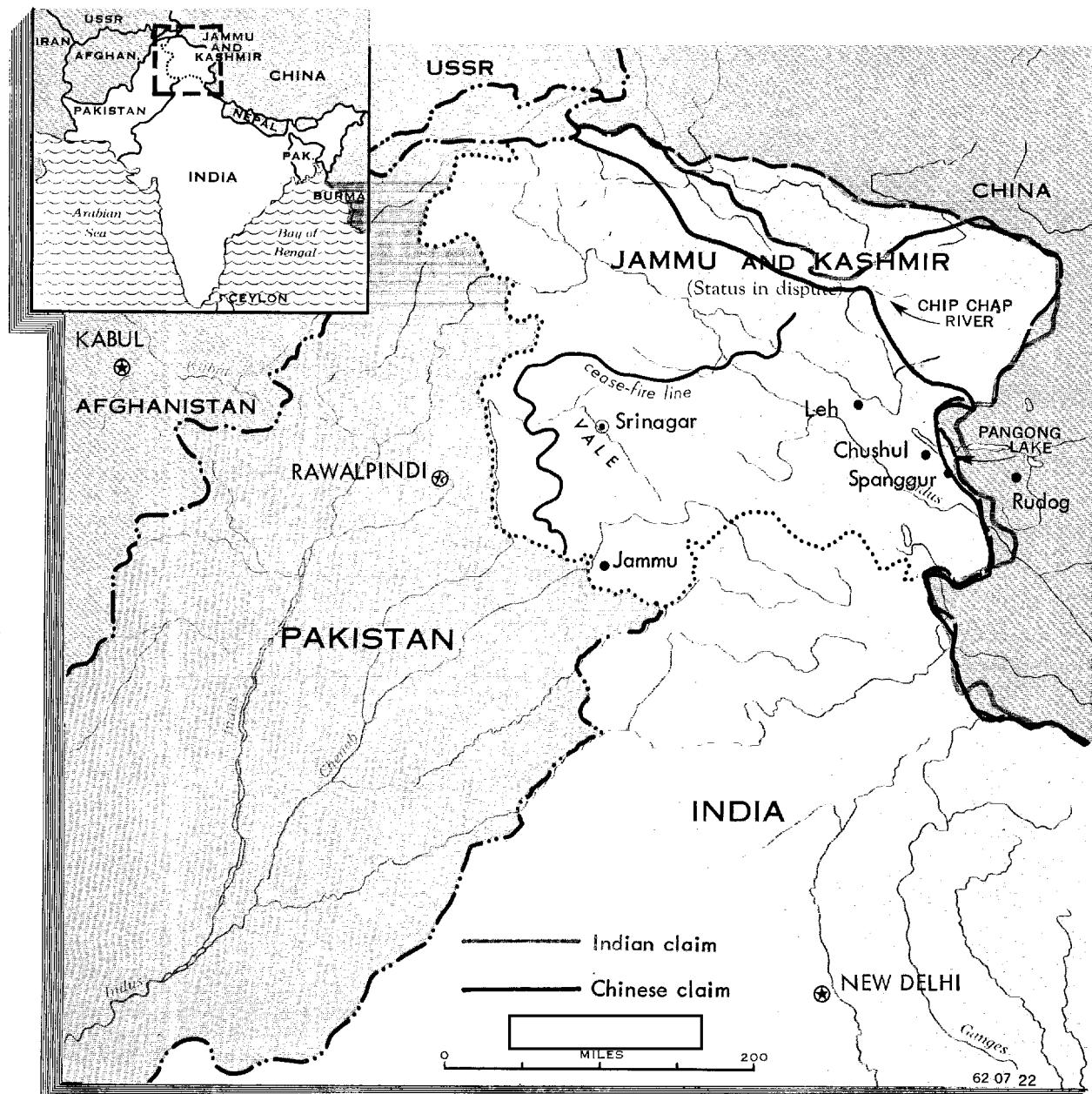
25X1

Iran: The Shah's 21 July order to his government to prepare for new national elections appears aimed at removing some of the anticipated pressure from the nationalist opposition on the new Alam government. Opposition leaders, however, now will start agitating to force the government to set an early date for these elections. The last two parliamentary elections, in 1960 and 1961, were so blatantly rigged that the Shah was forced to nullify their results. There is little likelihood that any vote in the near future will not be subjected to control.

The composition of the new government, also announced on 21 July, indicates no immediate changes in foreign or domestic policies. The cabinet includes seven holdovers from the former Amini government; Abbas Aram continues as foreign minister, and Hassan Arsanjani, architect of the controversial land reform program, remains as minister of agriculture. [While the Shah has informed Ambassador Holmes that the anti-corruption campaign will be prosecuted more vigorously, the personality of the new minister of justice makes this improbable.] Retention of the former minister of war, whose opposition to Amini's proposed cuts in the military budget helped bring down the last government, suggests that Alam is unlikely to be able to curtail government spending to the extent necessary to cope with Iran's serious budgetary deficit.

25X1

25X1



25X1

25X1

Communist China - India: Despite the exchange of angry protests over two shooting incidents in the Ladakh region of Kashmir, Communist China and India probably continue to wish to avoid a major flare-up along the disputed border and are likely to try to keep any future military actions localized. Patrols exchanged shots in the Chip Chap River area on 21 July, and New Delhi reports that its troops were fired on by the Chinese later the same day in the Pangong Lake region to the south. Details have been obscured by the charges and countercharges, although it appears casualties have been slight. Further clashes on a limited scale are likely. [redacted]

25X1

THE PRESIDENT

The Vice President

Executive Offices of the White House

    Special Counsel to the President

    Military Representative of the President

    The Special Assistant for National Security Affairs

    The Scientific Adviser to the President

    The Director of the Budget

    The Director, Office of Emergency Planning

    The Director, National Aeronautics and Space Administration

The Department of State

    The Secretary of State

    The Under Secretary of State

    The Under Secretary of State for Political Affairs

    The Deputy Under Secretary of State for Political Affairs

    The Counselor and Chairman of the Policy Planning Council

    The Director of Intelligence and Research

The Treasury Department

    The Secretary of the Treasury

    The Under Secretary of the Treasury

The Department of Defense

    The Secretary of Defense

    The Deputy Secretary of Defense

    The Secretary of the Army

    The Secretary of the Navy

    The Secretary of the Air Force

    The Assistant Secretary of Defense (International Security Affairs)

    The Assistant Secretary of Defense

    The Chairman, The Joint Chiefs of Staff

    Chief of Naval Operations, United States Navy

    Chief of Staff, United States Air Force

    Chief of Staff, United States Army

    Commandant, United States Marine Corps

    U.S. Rep., Military Committee and Standing Group, NATO

    Supreme Allied Commander, Europe

    Commander in Chief, Pacific

    The Director, Defense Intelligence Agency

    The Director, The Joint Staff

    The Director for Intelligence, The Joint Staff

    The Assistant Chief of Staff for Intelligence, Department of Army

    The Director of Naval Intelligence, Department of Navy

    The Assistant Chief of Staff, Intelligence, Department of the Air Force

The Department of Justice

    The Attorney General

    The Federal Bureau of Investigation

        The Director

The Atomic Energy Commission

    The Chairman

The National Security Agency

    The Director

The United States Information Agency

    The Director

The National Indications Center

    The Director

TOP SECRET

Approved For Release 2006/07/17 : GUNNAR SP 0975A006500180001-0

TOP SECRET

Approved For Release 2003/04/17 : GUNNAR SP 0975A006500180001-0